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Volume I, Issue 16

AGRICULTURE, DEPARTMENT OF

A marketing agreement for the milk industry in the South Texas marketing area has been drawn up and appears in the 4/13/73 Fed. Reg. at p. 9303 as a proposed rulemaking procedure.

The audit requirement (without specific details thereof) appears in Section 1121.22 at p. 9309.

COST ACCOUNTING STANDARDS BOARD

The revised regulations for the operation of the CASB are contained in the recently-issued section of the Code of Federal Regulations (Title 4, CFR).

This section, entitled "Accounts" includes the regulations for the GAO and a chapter on Federal Claims Collection Standards as well. It contains revisions and amendments through 1/1/73. Copies may be purchased through the GPO.

ENVIRONMENTAL PROTECTION AGENCY

Resource recycling legislation has been introduced by Senator Moss (D-Utah) of the Senate Commerce Committee.

The bill (S. 1593) is entitled The Resource Recycling and Conservation Act of 1973 and provides for new, effective tax and procurement incentives for resource recovery and recycling of solid waste materials. Also, it seeks to restrict regular tax deductions by those who would consume limited energy commodities when other more plentiful low-energy-consuming recyclable commodities were readily available.

A summary of the bill appears at p. S.7464 of the 4/16/73 Cong. Record. No hearing date has been set.

FEDERAL MARITIME COMMISSION

An Annual Report Requirement for nonvessel operating common carriers by water in the domestic offshore trade has been proposed by the Commission. (4/18/73 Fed. Reg. p. 9601.)

All affected would be required to submit financial statements and supplementary data as prescribed. There is a provision that all books and accounts be maintained "consistent with an appropriate system of accounts in accordance with generally accepted accounting principles." Audits would be accomplished by representatives of the Commission.

Section 512.25 prescribes the forms and reports required. There are certain provisions for stating income taxes as well. Sample formats are included.

Comments on the proposed rule will be accepted until 5/14/73.

GENERAL ACCOUNTING OFFICE

(See Cost Accounting Standards Board)

HEALTH, EDUCATION AND WELFARE, DEPARTMENT OF

Health Maintenance Organizations (HMOs) will not receive the funds as originally planned. Instead of the original 150 experimental HMO's, the House Health Subcommittee has determined that only 87 will be funded.

In the Senate, the Labor and Public Welfare Committee cut the Kennedy HMO bill (S.14) in half, although it still carries a near \$1.5 billion price tag.

Veterans Administration program to make cost-of-instruction payments to institutions of higher education has been proposed. (4/16/73 Fed. Reg., p. 9472.)

Subpart D- Fiscal and Reporting Requirements contains a section (189.32) on "Audits" and provides that each institution engage a single auditor for all of its expenditures under Federal education assistance programs regardless of the number of Federal agencies providing such assistance. Proposed reporting requirements are contained in Section 189.35.

Comments on the proposed regulations will be accepted until 5/16/73.

Environmental Education "Minigrant Program" regulations have been proposed by the Department. (See 4/16/73 Fed. Reg., p. 9437.)

The grants are being made available under the Environmental Assistance Act (P.L. 91-516) and are limited to a maximum award of \$10,000. Section 183.50 "Audits" contains a provision for the use of a single auditor for all of the grantee's awards.

Comments on the proposed regulations for the program will be accepted until 5/16/73.

LABOR, DEPARTMENT OF

The Administration's pension reform proposal was discussed in the House by Rep. Erlenborn (R-Ill.) on 4/16/73. (See Cong. Record, p. H 2789.) He mentions in his analysis of the bill the requirement for "independent accountants" to provide an opinion in the annual report as to the audit, and cites this requirement as a much needed improvement in pension reform.

RENEGOTIATION BOARD

Extension of the Renegotiation Act has been requested by the Administration, and Chairman Mills (D-Ark.) of the House Ways and Means Committee has announced a one-day hearing on May 2 regarding the Administration's request.

The Administration has requested that the Act be extended two years to June 30, 1975.

SECURITIES AND EXCHANGE COMMISSION

The Broker-Dealer Model Compliance Program Advisory Committee has scheduled a public meeting in Chicago on May 1 and 2.

Assisted by this committee's work, the Commission plans to publish a guide to broker-dealer compliance under the Securities Acts in order to advise broker-dealers of the standards to which they should adhere if investor confidence is to be sustained. The scheduled meeting agenda includes a review of drafts and proposals concerning the Committee's

proposed report to the SEC on those compliance guidelines.

TREASURY, DEPARTMENT OF

Inspection of Income, Excess Profits, Estate and Gift Tax Returns will be open to the Senate Committee on Government Operations during the 93rd Congress. President Nixon signed the Executive Order (11711) and it is published in the 4/17/73 Fed. Reg., p.9483.

Regulations for Taxes on Self-Dealing in the case of foundation excise taxes appear in the 4/17/73 Fed. Reg. at p.9493. The amendments to Section 53 of the Internal Revenue Code are also provided.

IRS Taxpayer Assistance Program was discussed at length by Senator Montoya (D-N.M.) in the 4/16/73 Cong. Record (pgs. S 7433-36). He mentioned, among several points, the need for additional public information on IRS policies and a more thorough investigation on the need to license commercial tax preparers.

Tax Reform is reiterated by Rep. Corman (D-Calif.) as part of "Tax Day", 1973. His remarks and introduction of an additional tax measure to broaden the tax base (HR 7050) appear in the 4/16/73 Cong. Record at p. H 2778.


Rep. Vanik (D-Ohio), also made a statement on tax matters in the 4/12/73 Cong. Record, p. E 2409. He had the prepared statement of E. J. Hawkins, Esq., one of the witnesses before the House Ways and Means Committee, reprinted. Mr. Hawkins spoke in favor of tax simplification.

The Administration's Trade Reform Act of 1973 (HR 6767) is available as a Committee Print from the House Ways and Means Committee. It contains an analysis of the provisions of the proposed law.

An Individual Income Tax Return Statistical Report has recently been prepared by the IRS on 1971 tax return data, covering sources of income, exemptions, deductions, taxable income and income tax, classified by size of taxpayer's adjusted gross income. Copies are available from the GPO.

COMMISSION ON FEDERAL PROCUREMENT

A final volume of bibliography and index has been issued by the Commission. In addition, it contains the various recommendations, and cross-references them into the 4 volumes of the Report itself. It is available from the GPO at \$1.75 per copy.


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